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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-055]

Carton-Closing Staples from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) preliminarily determines that carton closing staples from the People's Republic of China (PRC) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is July 1, 2016 through December 31, 2016.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Irene Gorelik at (202) 482-6905, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). The Department published the notice of initiation of this investigation on April 27, 2017.¹ On August 23, 2017, the Department postponed the preliminary determination of this investigation, and the revised deadline is now October 27,

¹ See *Carton-Closing Staples from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 82 FR 19351 (April 27, 2017) (*Initiation Notice*).

2017.² For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.³ A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The products covered by this investigation are carton-closing staples from the PRC. For a full description of the scope of this investigation, *see* the "Scope of the Investigation," in Appendix I of this notice.

Scope Comments

In accordance with the preamble to the Department's regulations,⁴ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (scope).⁵ An interested party commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments submitted on the record for this investigation, and accompanying discussion and analysis of the comments timely received, *see*

² *See Carton-Closing Staples from the People's Republic of China: Postponement of Preliminary Determination in the Less-Than-Fair-Value Investigation*, 82 FR 39982 (August 23, 2017).

³ *See* Memorandum, "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Carton-Closing Staples from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁵ *See Initiation Notice*, 82 FR at 19352.

the Preliminary Decision Memorandum.⁶ The Department is not preliminarily modifying the scope language as it appeared in the *Initiation Notice*.

Methodology

The Department is conducting this investigation in accordance with section 731 of the Act. The Department has calculated export prices in accordance with section 772(a) of the Act. Because the PRC is a non-market economy, within the meaning of section 771(18) of the Act, the Department has calculated normal value (NV) in accordance with section 773(c) of the Act. In addition, pursuant to section 776(a) and (b) of the Act, the Department preliminarily has relied upon facts otherwise available, with adverse inferences, for the PRC-wide entity, including Zhejiang Best Nail Industrial Co., Ltd. (Best Nail). For a full description of the methodology underlying the Department's preliminary determination, *see* the Preliminary Decision Memorandum.

Combination Rates

In the *Initiation Notice*,⁷ the Department stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.⁸

Preliminary Determination

The Department preliminarily determines that the following estimated weighted-average dumping margins exist:

⁶ See Preliminary Decision Memorandum at pages 3-4.

⁷ See *Initiation Notice*, 82 FR at 19355.

⁸ See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on the Department's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

Producer	Exporter	Estimated Weighted-Average Dumping Margin (percent)
Yueda Group ⁹ : Shanghai Yueda Nails Co., Ltd., or Qiushan Printing Machinery Co., Ltd.	Yueda Group: Shanghai Yueda Nails Co., Ltd., or Fastnail Products Limited, or Wuhan FOPO Trading Co., Ltd.	13.74
Hangzhou Huayu Machinery Co., Ltd.	Hangzhou Huayu Machinery Co., Ltd.	13.74
The Stanley Works (Langfang) Fastening Systems Co., Ltd.	The Stanley Works (Langfang) Fastening Systems Co., Ltd.	13.74
PRC-Wide Entity ¹⁰		58.93

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, the Department will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*, as discussed below. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit equal to the weighted average amount by which normal value exceeds U.S. price, as indicated in the chart above as follows: (1) for the producer/exporter combinations listed in the table above, the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of PRC producers/exporters of subject merchandise that have not established eligibility for their own

⁹ The Department preliminarily determines that Shanghai Yueda Nails Co., Ltd, Qiushan Printing Machinery Co., Ltd., Fastnail Products Limited, and Wuhan FOPO Trading Co., Ltd. comprise a single entity. See Preliminary Decision Memorandum. See also Memorandum, “Preliminary Affiliation and Single Entity Determination,” dated concurrently with, and hereby adopted by, this notice.

¹⁰ As detailed in the Preliminary Decision Memorandum, Best Nail, a mandatory respondent in this investigation, and certain other non-responsive PRC companies did not demonstrate that they were entitled to a separate rate. Accordingly, we consider these companies to be part of the PRC-wide entity.

separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the PRC-wide entity; and (3) for all third-country exporters of subject merchandise not listed in the table above, the cash deposit rate is the cash deposit rate applicable to the PRC producer/exporter combination (or the PRC-wide entity) that supplied that third-country exporter. These suspension of liquidation instructions will remain in effect until further notice.

Disclosure

The Department intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i)(1) of the Act, the Department intends to verify information relied upon in making its final determination.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the verification report is issued in this investigation, unless the Secretary alters the time limit. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.¹¹ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited

¹¹ See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. Pursuant to 19 CFR 351.210(e)(2), the Department requires that requests by respondents for postponement of a final antidumping determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

On October 10, 2017, pursuant to 19 CFR 351.210(b)(2)(ii), Yueda requested¹² that the Department postpone its final determination and extend the application of the provisional measures prescribed under section 773(d) of the Act and 19 CFR.210(e)(2), from a four-month period to a period not to exceed six months. In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) the preliminary determination is affirmative; (2) the requesting exporter accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, the Department is granting Yueda's request by postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, the Department's final determination will publish no later than 135 days after the date of publication of this preliminary determination.

International Trade Commission Notification

In accordance with section 733(f) of the Act, the Department will notify the International Trade Commission (ITC) of its preliminary determination of sales at LTFV. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of the subject merchandise are materially injuring, or threaten material injury to, the U.S. industry.

¹² See Yueda's letter to the Department, re: "Extension Request for Final Determination," dated October 10, 2017.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Dated: October 27, 2017.

APPENDIX I

Scope of the Investigation

The scope of this investigation is carton-closing staples. Carton-closing staples may be manufactured from carbon, alloy, or stainless steel wire, and are included in the scope of the investigation regardless of whether they are uncoated or coated, regardless of the type of coating.

Carton-closing staples are generally made to American Society for Testing and Materials (ASTM) specification ASTM D1974/D1974M- 16, but can also be made to other specifications. Regardless of specification, however, all carton-closing staples meeting the scope description are included in the scope. Carton-closing staples include stick staple products, often referred to as staple strips, and roll staple products, often referred to as coils. Stick staples are lightly cemented or lacquered together to facilitate handling and loading into stapling machines. Roll staples are taped together along their crowns. Carton-closing staples are covered regardless of whether they are imported in stick form or roll form.

Carton-closing staples vary by the size of the wire, the width of the crown, and the length of the leg. The nominal leg length ranges from 0.4095 inch to 1.375 inches and the nominal crown width ranges from 1.125 inches to 1.375 inches. The size of the wire used in the production of carton-closing staples varies from 0.029 to 0.064 inch (nominal thickness) by 0.064 to 0.100 inch (nominal width).

Carton-closing staples subject to this investigation are currently classifiable under subheadings 8305.20.00.00 and 7317.00.65.60 of the Harmonized Tariff Schedule of the United States (“HTSUS”). While the HTSUS subheadings and ASTM specification are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

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